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NSC BRIEFING

21 January 1959

BACKGROUND PIECE ON GREECE (For use in discussion of OCB Paper)

- I. The OCB Report dated 17 December 1958 remains a generally accurate description of the current situation in Greece, the only noteworthy shift being the improvement, for the time being at least, in the climate of Greek-Turkish relations.
- II. The Cyprus issue remains of paramount importance to Greek Government and people.
 - A. General reappraisal of Greek foreign policy following inconclusive UN debate on Cyprus in December has led to:
 - 1. Apparently sincere attempts by Greece and Turkey to resolve their differences (with improved attitudes evident also in press of both countries), and a more favorable Greek attitude on ties with US and NATO.
 - B. If current Greek-Turkish negotiations fail, however, new violence on Cyprus is likely, with renewed strains on Greek ties with West, and increasing political instability in Greece.
 - 1. Greeks apparently intend blame British if talks with Turks fail.
- III. Karamanlis government continues in control, but trend toward political polarization continues and offers long-range threat.
 - A. New cabinet appointments this month by Karamanlis have drawn bitter reaction from two leaders of government party, but no defections.

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- B. Opposition Liberal Party continues faction-ridden, and little hope is seen as yet for the movement toward unification of all or most non-Communist opposition parties.
- C. Thus effective opposition to government largely in hands of Communist-front United Democratic Left (EDA), which won impressive 24% of popular vote in May 1958 general elections.
- D. Government appears recognize dangers from EDA, and is continuing efforts reduce or negate this threat.
 - Harassing tactics, such as arrest of leftist leaders and campaign to identify EDA with illegal Greek Communist Party, continue.
 - 2. Government has also taken initiative in economic field with announcement this month of new Five-Year Plan to raise living standards.

